

**PEND OREILLE COUNTY COMBINED SPECIAL PURPOSE DISTRICTS**  
**Pend Oreille County, Washington**  
**January 1, 1992 Through December 31, 1994**

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**Schedule Of Findings ) Chippewa Water/Sewer District**

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1. Chippewa Water/Sewer District Should Enforce Collection Of Charges

During our review of the district's accounts receivable, we noted that past due accounts are not properly handled. The past due list at February 12, 1996, contained 10 accounts, in the amount of \$3,928.45 (10 percent of annual revenues) which were at least 90 days past due, more than three billing cycles. These accounts are not expected to be collected in the near future, but penalties, interest, and liens have not been applied to the accounts underlying properties in order to encourage payment and to protect the district's assets.

RCW 56.16.100 states in part:

The commissioners shall enforce collection of the sewer connection charges and sewerage disposal service charges against property to which and its owners to whom the service is available . . . by addition of penalties of not more than ten percent . . . .

RCW 57.08.080 states in part:

The commissioners shall enforce collection of the water connection charges and rates and charges for water supplied against property owners . . . and any penalties added thereto and interest thereon . . . .

By not collecting the charges, penalties, and interest charges the district has restricted the necessary cash in order to operate properly, especially in emergencies and in the future. By not placing liens on the properties, the district has not properly safeguarded district assets. In addition, the district is providing these water users with interest-free loans at public expense.

District management is under the assumption that the title companies will always contact them and that they will receive the money due the district.

We recommend the district comply with the statutes to protect public assets.